

SUBJECT: Proposed Costs - Contract
The Ramo Wooldridge Corporation

To: The Contracting Officer

1. We have examined the contractor's cost estimates submitted on the following documents:

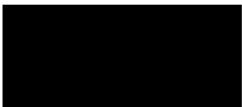
- 1) CMCC Doc No. 151 X 5.961
- 2) " " " 151 X 5.942
- 3) " " " 151 X 5.972
- 4) " " " 151 X 5.1019
- 5) " " " 151 X 5.1060

2. Subject to approval of the fees by the contracting officer, it is our opinion that, with the exception of the proposed engineering overhead and general and administrative expense

rates, the contractor's cost estimates are reasonable for the purposes intended.

3. Proposed engineering and G & A rates are compared below with rates developed from the contractor's records for the three-months period ended 31 March 1958.

	25X1A	Per <u>Contractor</u>	Per <u>Auditor</u>
Engineering Overhead			
G & A Expense			

4. Relative to funding, overhead applied at book rates would reduce the proposed costs (including fee) by approximately  25X1A